

# HOUSE RESEARCH

## Bill Summary

**FILE NUMBER:** H. F. 667 **DATE:** March 26, 1999  
**Version:** As introduced  
**Authors:** Milbert and others  
**Subject:** Reverse Referendums; Public Hearings Optional in Some Cases  
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### Overview

Deletes the requirement that cities of 500 population or less must hold a public hearing. Provides that a county or city over 2,500 population is not required to hold a public hearing if its proposed property tax levy has not increased over its previous year's levy. Provides for a reverse referendum if a county or city over 500 population has adopted a property tax levy which has increased over its previous year's levy. If a petition signed by 5 percent of the voters in the county or city request a referendum, a special election must be held on the amount of increase and the increased amount cannot be levied unless approved by a majority of the voters. Effective for payable 2000 and thereafter.

**1 Notice of Proposed Property Taxes.** Advances the date from November 24 to

November 17 to prepare and send taxpayers the notice of proposed taxes, often referred to as the "TnT" notices.

Deletes the requirement that cities of 500 population or less must hold a public hearing on its property tax levy. Provides that in the case of a county or city over 500 population, a public hearing is not required if its proposed property tax levy has not increased over the previous year's certified levy.

Continues to allow for written public comments even if no public hearing is held. Lastly changes the date from November 27 to November 20 for mailing or posting notices at apartment buildings.

**2 Public Advertisement.** Provides that a county or a city over 2500 is not required to hold a public hearing if its proposed property tax levy has not increased over its previous year's certified levy. However, even though a hearing is not required, all counties and cities, over 2,500 population must continue to place an advertisement in the newspaper informing taxpayers of the proposed budget and levy amounts as compared to the previous year's.

Paragraph (c)(i) on page 7 provides that the newspaper advertisement remains unchanged from

current law if the city or county's proposed levy has increased over its previous year's certified levy.

Paragraph (c)(ii) on page 8 provides a separate format for the newspaper advertisement for those cities and counties that are not required to hold a public hearing. It is the same as those which hold a hearing except that it makes it very clear that no public hearing will be held. The advertisement is intended to keep the taxpayers informed of the budget and property tax levy.

Paragraph (c)(iii) on page 9 states that those cities or counties that are not required to hold a public hearing but choose to do so, the advertisement format in clause (i) is to be used.

- 3 Public Hearings.** Advances a few dates in when continuation hearings must be held and when the county government hearings may be held in order to fit in with the overall timing of the TnT process.

Paragraph (n) on page 15 exempts all cities under 500 population and any counties or cities over 500 population whose proposed property tax levy has not increased over its previous year's levy from holding public hearings.

- 4 Joint Hearing.** Advances the joint public hearing date by one week of Ramsey County,

St. Paul School District No. 625, and the city of St. Paul, so the date fits in with the overall timing of the TnT process.

- 5 Reverse Referendum.** Provides for a reverse referendum. It applies only to counties or cities over 500 population that have adopted a property tax levy which has increased over the certified levy amount for the previous year.

If within 21 days after the public hearing and adoption of the levy, a petition signed by voters equal in number to 5 percent of the votes cast in the county or city in the last general election requests a referendum on the levy increase is filed with the county auditor, or city clerk, the levy increase shall not be effective until it has been submitted to the voters at a special election to be held on the fourth Tuesday in January, and a majority of votes cast on the question approving the increase are in the affirmative. The commissioner of revenue shall prepare the form of the referendum question.

Provides that the county or city shall notify the county auditor of the results of the referendum. If the majority of the votes cast are "yes," an amount equal to the preceding year's levy shall be certified to the auditor. If the majority of the votes cast are "no," an amount equal to the preceding year's levy shall be certified to the auditor.

- 6 Certification of Levy.** Extends the date for filing levies for certain counties and cities. Provides that those counties or cities to which the reverse referendum applies shall certify their taxes to the auditor by January 5, unless a petition for referendum has been filed, the those must certify the day following the election (fourth Wednesday in January).

- 7 Effective Date.** Provides that sections 1, 3, and 4 are effective for notices prepared in 1999 and thereafter. Section 2 is effective for newspaper advertisements in 1999 and thereafter. Sections 5 and 6 are effective for taxes levied in 1999 and thereafter, for taxes payable in 2000 and thereafter.